

**Credit Reform**  
**Summary of Changes for Case Study**  
**Accounting for Direct Loans without Collateral**

The following table includes revisions to transactions for the Accounting for Direct Loans without Collateral Case Study (dated July 26, 1999). These revisions should be used in conjunction with the original case study until the appropriate changes have been incorporated.

<b>Direct Loans without Collateral Cast Study Transaction Number and Description</b>	<b>Revised Transactions (New)</b>	<b>Explanation of Revision</b>
<b>Year 1</b> 7. The appropriation (permanent indefinite) warrant was received from the Treasury for the modification adjustment transfer discussed in the previous transaction. The appropriated funds were apportioned and allotted. The funds were applied to debt reduction.	<b>Program Account</b> No change to case study.  <b>Financing Account</b> <i>Budgetary</i> No change to case study  <i>Proprietary</i> 1010 Fund Balance with Treasury                      150 1399 Allowance for Subsidy                                      150 7290 Other Losses – Mods                                      150 5790 Other Financing Sources                                      150 2510 Principal Pay to Treasury                                      150 1010 Fund Balance with Treasury                                      150  (Section III TC A144 and B120)	To comply with the transactions in Section III of the Treasury Financial Manual (TFM) for the Standard General Ledger (SGL).

Direct Loans without Collateral Case Study Transaction Number and Description	Revised Transactions (New)	Explanation of Revision
<b>Year 1</b> C1. Record consolidation of actual net funded resources.	<b>Program Account</b> No change to case study.  <b>Financing Account</b>  <i>Budgetary</i> <b>4201 Total Actual Resources</b> <b>105,125</b> 4147 Actual Payments to Treas. 19,600 4125 Loan Mod Adj. Tran Approp. 150 4148 Res. Real for Borrowing Auth. 75,000 4261 Actual Collection Fees 425 4262 Actual Loan Prin. Collect 19,600 4263 Actual Loan Interest Collect 800 4271 Actual Subsidy Collect 27,000 4273 Treasury Interest Collect 1,750 (Section III TC F204)  <i>Proprietary</i> No change to case study.	Removed the following entry in case study for transaction C1. This entry is now included in the case study for transaction C2 that closes out fiscal year borrowing authority.  4145 Borrowing Auth. Converted to Cash 75,000 4142 Borrowing Auth. Realized 75,000
<b>Year 1</b> C2. To close out fiscal year borrowing authority.	<b>Program Account</b> No change to case study.  <b>Financing Account</b> <i>Budgetary</i> <b>4149 Borrow Auth Carried Forward</b> <b>27,225</b> 4145 Borrow Auth Conv to Cash 75,000 4142 Borrow Auth. Realized 102,225 (Section III TC F208)  <i>Proprietary</i> No change to case study.	Modified entry to include the total amount of borrowing authority realized which includes the carry forward balance and the portion converted to cash for borrowing authority. In the original case study, these entries were included in transaction C1.

Direct Loans without Collateral Case Study Transaction Number and Description	Revised Transactions (New)	Explanation of Revision
<b>Year 1</b> 20. The agency head allotted the full apportionment and paid the re-estimate subsidy to the financing account.	<b>Program Account</b> <i>Budgetary</i> No change to case study.  <i>Proprietary</i> 6100 Operating Expense/Program Costs    1,600 1010 Fund Balance with Treasury                      1,600 2170 Subsidy Pay to Financing Account    1,600 6800 Future Funded Expenses                      1,600 3100 Unexpended Appropriation            1,600 5700 Appropriations Used                              1,600  (Section III TC B106, B324 and B134)  <b>Financing Account</b> No change to case study.	To comply with the transactions in Section III of the TFM for the SGL. Reverse account 6800 (Future Funded Expenses) at the beginning of the fiscal year and record account 6100 (Operating Expense/Program Costs).
<b>Subsequent Year</b> C1. Record consolidation of actual net funded resources.	<b>Program Account</b> No change to case study.  <b>Financing Account</b> <i>Budgetary</i> <b>4201 Total Actual Resources                      86,325</b> 4147 Actual Payments to Treas.                      90,400 4148 Res. Real for Borrowing Auth.                      35,000 4261 Actual Collection Fees                              10,500 4262 Actual Loan Prin. Collect                          81,175 4263 Actual Loan Interest Collect                      37,000 4271 Actual Subsidy Collect                              11,200 4272 Act Prog Acct Sub Collect                          1,600 4273 Treasury Interest Collect                              250 (Section III TC F204)  <i>Proprietary</i> No change to case study.	Removed the following entry in case study for transaction C1. This entry is now included in the case study for transaction C2 that closes out fiscal year borrowing authority.  4145 Borrowing Auth. Converted to Cash    35,000 4142 Borrowing Auth. Realized                          7,775 4149 Borrow Auth. Car. Forward                      27,225

Direct Loans without Collateral Case Study Transaction Number and Description	Revised Transactions (New)	Explanation of Revision
<b>Subsequent Year</b> C2. To close out fiscal year borrowing authority.	<b>Program Account</b> No change to case study.  <b>Financing Account</b> <i>Budgetary</i> 4145 Borrowing Auth. Converted to Cash 35,000 4142 Borrowing Auth. Realized 7,775 <b>4149 Borrow Auth. Car. Forward 27,225</b> (Section III TC F208)  <i>Proprietary</i> No change to case study.	Modified entry to include the total amount of borrow authority realized which includes the carry forward balance and the portion converted to cash for borrowing authority. In the original case study, these entries were included in transaction C1.